



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2007 Assembly Bill 470**

**Assembly Substitute  
Amendment 1**

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The Substitute Amendment makes three changes to the statutes relating to the penalty for converting land that has been taxed as agricultural land to a nonagricultural use.

Generally, when land that has been taxed as agricultural land is converted to a nonagricultural use, such as for a residential subdivision or a commercial development, it no longer qualifies to be taxed as agricultural land. In addition, a penalty is imposed that, depending on how much land is converted, captures between 5% to 10% of the property tax savings that occurred when the land was taxed as agricultural land in the year before the conversion. The penalty is paid to the county in which the land is located. The county is then required to pay 50% of the penalty to the city, village, or town where the land is located.

The three changes to this process made by the Substitute Amendment are:

1. The written notice to the property owner, which is required under current law when the assessed value of property is changed from one year to the next, would be required to include a notice from the assessor if property that had been taxed as agricultural land no longer qualifies to be taxed as agricultural land and a penalty may be imposed. The notice must be given in writing at least 15 days prior to the board of review.
2. The name of the “penalty” for converting agricultural land is changed to be called a “conversion charge.”
3. Assessors of each city, village or town are required to provide the county treasurer all information necessary to compute conversion charges no later than 15 days after the board of review has adjourned.

The Substitute Amendment also changes a notice requirement that applies any time an assessment of property is changed, regardless of whether it involves agricultural land. Under current

law, notice to a property owner is required any time an assessment of property is changed. This notice requirement applies even if the assessment is changed as a result of a complaint by the property owner to the assessor. The Substitute Amendment provides that no further notice of a changed assessment is required if the person whose property is assessed waives, in writing on a form prescribed or approved by the Department of Revenue, the right to any further notice of the changed assessment.

The Substitute Amendment first applies to the property tax assessments on January 1, 2008.

**Legislative History**

Assembly Substitute Amendment 1 was offered by Representative Seidel. On December 11, 2007, the Assembly Committee on Ways and Means adopted the Substitute Amendment by a vote of Ayes, 10; Noes, 0; and Absent or Not Voting, 3 and recommended the bill for passage, as amended, by a vote of Ayes, 10; Noes, 0; and Absent or Not Voting, 3.

WF:jal